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German Democratic Republic

COMPARISON OF PRICE SUPPORT COST OF DOMESTICALLY PRODUCED STEEL PLATE AND IMPORTED STEEL PLATE

From September through December 1951, according to the 1951 Economic Plan, the production of heavy metal plate is to be 32,500 tons. The average selling price per ton is 165 DM, or a total of 5,363,000 DM; the production cost per ton is 230 DM, making a total of 7,487,000 DM. The required price support amounts to 2,124,000 DM, an average of 65 DM per ton.

According to HV (Main Administration) for Metallurgy, a 40% production increase over and above the Plan is to be achieved by competitions to be held in September 1951. On that basis, the total production would be 45,500 tons, the total selling price 7,507,000 DM the production costs 10,465,000 DM, and the price support required 2,958,000 DM. This shows that a 40% overfulfillment of the Plan would necessitate additional price support of 834,000 DM.

On the other hand, if the 13,000 additional tons were to be imported from West Germany, a foreign currency expenditure of 5,291,000 DM (407 DM per ton) would be required. The selling price would be 2,145,000 DM (165 DM per ton), thus requiring price support to the extent of 3,146,000 DM (242 DM per ton). This shows that the overfulfillment of the 1951 Economic Plan would result in the saving of the difference between the 3,146,000 DM price support for the import and the 834,000 DM price support for overfulfillment of the Plan, or a total of 2,312,000 DM.

three plants [] apparently are producing the heavy metal plate. These are the Ilsenburg, Kirchmoeser, and Auerhammer

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